

***Superseded 5/12/2015***

**16-6a-1405 Effect of dissolution.**

- (1) A dissolved nonprofit corporation continues its corporate existence but may not carry on any activities except as is appropriate to wind up and liquidate its affairs, including:
  - (a) collecting its assets;
  - (b) returning, transferring, or conveying assets held by the nonprofit corporation upon a condition requiring return, transfer, or conveyance, which condition occurs by reason of the dissolution, in accordance with the condition;
  - (c) transferring, subject to any contractual or legal requirements, its assets as provided in or authorized by its articles of incorporation or bylaws;
  - (d) discharging or making provision for discharging its liabilities; and
  - (e) doing every other act necessary to wind up and liquidate its assets and affairs.
- (2) Notwithstanding any other provision of this chapter, the distribution of assets of a nonprofit corporation upon its dissolution shall be consistent with all applicable requirements and limitations set forth in the Internal Revenue Code.
- (3) Dissolution of a nonprofit corporation does not:
  - (a) transfer title to the nonprofit corporation's property including title to water rights, water conveyance facilities, or other assets of a nonprofit corporation organized to divert or distribute water to its members;
  - (b) subject its directors or officers to standards of conduct different from those prescribed in this chapter;
  - (c) change quorum or voting requirements for its board of directors or members;
  - (d) change provisions for selection, resignation, or removal of its directors or officers, or both;
  - (e) change provisions for amending its bylaws or its articles of incorporation;
  - (f) prevent commencement of a proceeding by or against the nonprofit corporation in its corporate name; or
  - (g) abate or suspend a proceeding pending by or against the nonprofit corporation on the effective date of dissolution.
- (4) Nothing in this section may be applied in a manner inconsistent with a court's power of judicial dissolution exercised in accordance with Section 16-6a-1414 or 16-6a-1415.